

April 04, 2017  
FATIMA/PSX/0404/17

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi.

The Director Enforcement  
SECP  
NICL Building, Jinnah Avenue  
Blue Area  
Islamabad.

**Subject: Notice of Annual General Meeting**

Dear Sir,

Enclosed please find a copy of the Notice of the Annual General Meeting to be held on April 25, 2017 for circulation amongst TRE Certificate Holders of the Exchange.

Yours Sincerely,



Ausaf Ali Qureshi  
Company Secretary

Encl: As above

## NOTICE OF THE 14<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the shareholders of FATIMA FERTILIZER COMPANY LIMITED will be held on Tuesday, April 25, 2017 at 11:00 a.m. at Royal Palm Golf and Country Club, 52-Canal Bank Road, Lahore to transact the following business:

### Ordinary Business

1. To confirm the minutes of Extraordinary General Meeting held on December 23, 2016.
2. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended December 31, 2016.
3. To consider and approve final cash dividend for the year ended December 31, 2016 at Rs. 2 per share i.e., 20% as recommended by the Board of Directors. This is in addition to interim Dividend already paid during the year at Rs. 1.25 per share i.e. 12.5%, thus making a total cash dividend of Rs. 32.5% i.e., Rs. 3.25 per share for the year ended December 31, 2016.
4. To elect Directors of the Company for a period of three years commencing from May 01, 2017 to April 30, 2020 in terms of section 178 of Companies Ordinance 1984.
  - a. Pursuant to section 178(1) and (2)(a) of the Companies Ordinance 1984, the Directors have fixed the number of directors at 7 (Seven).
  - b. Pursuant to Section 178(2)(b) of the Companies Ordinance 1984, the names of the retiring Directors are:
    1. Mr. Arif Habib
    2. Mr. Fawad Ahmed Mukhtar
    3. Mr. Fazal Ahmed Sheikh
    4. Mr. Faisal Ahmed Mukhtar
    5. Mr. Muhammad Kashif Habib
    6. Mr. Peter Vang Christensen
    7. Mr. M. Abad Khan
5. To appoint Auditors for the year ending December 31, 2017 and to fix their remuneration. The Audit Committee and the Board of Directors have recommended for reappointment of M/s Deloitte Yousuf Adil Chartered Accountants as external auditors.

### Special Business

6. To consider and approve renewal of running finance facility limit extended to associated company namely Reliance Commodities (Pvt) Limited for further period of one year and to pass the following Special Resolution(s) with or without modification(s):

“**Resolved** that the consent and approval be and is hereby accorded under Section 208 of the Companies Ordinance, 1984 and “Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012” for renewal of Running Finance Facility limit of up-to an aggregate amount of Rs. 1,250 million extended to Reliance Commodities (Pvt) Limited for further period of one year to be repaid within 30 days of the notice of demand. The limit in the nature of Running Finance Facility shall be renewable in next general meeting(s) for further period(s) of one year.

**Resolved further** that the Secretary, the CFO and any Director of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto.”
7. To consider and approve equity investment in associated company namely Fatima Electric Company Limited and to pass the following Special Resolution(s) with or without modification(s):

“**Resolved** that the consent and approval be and is hereby accorded under Section 208 of the Companies Ordinance, 1984 and Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012 for investment up-to PKR 140,000 in Fatima Electric Company Limited, an associated company, for subscribing at par, fully paid up 14,000 ordinary shares of PKR 10/- each of Fatima Electric Company Limited.

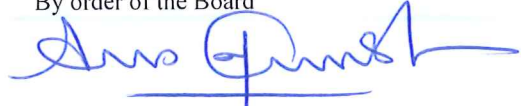
**Resolved further** that the Secretary, the CFO and any Director of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto.”

#### Other Business

8. To transact any other business with the permission of the Chair.

The statements under Section 160(1)(b) of the Companies Ordinance, 1984 setting out the material facts concerning the special business are annexed herewith.

By order of the Board



Ausaf Ali Qureshi  
Company Secretary

Lahore  
April 04, 2017

#### Notes:

1. The Share Transfer Books of the Company will remain closed from April 18, 2017 to April 25, 2017 (both days inclusive). Transfers received in order at the office of our Share Registrar/Transfer Agent, Central Depository Company of Pakistan Limited by the close of business on April 17, 2017 will be treated in time for the aforesaid purpose.
2. A member entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
3. An individual beneficial owner of shares from CDC must bring his/her original CNIC or Passport, Account and Participant's I.D. numbers to prove his/her identity. A representative of corporate members from CDC, must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of the nominee. The members are requested to notify the change of address, Zakat Declaration and Tax Exemption Status with its valid certificate, if any, immediately to our Share Registrar/Transfer Agent M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400.

#### 4. Withholding Tax on Dividends:

Prevailing rates prescribed for deduction of withholding tax on the amount of dividend paid by the companies are as under:

- (a) For filers of income tax returns: 12.50%
- (b) For non-filers of income tax returns: 20%

To enable the Company to make tax deduction on the amount of cash dividend @ 12.50% instead of 20%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL, otherwise tax on their cash dividend will be deducted @ 20% instead of 12.50%.

For any further assistance, the members may contact the Share Registrar at the following phone numbers, email addresses:

Central Depository Company of Pakistan Limited, Shares Registrar Department, CDC House 99-B, Block 'B' S.M.C.H.S, Main Shakra-e-Faisal Karachi-74400. Telephone: 0800-23275, Email: info@cdcpak.com

The corporate shareholders having CDC accounts are required to have their National Tax Numbers (NTNs) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar i.e. Central Depository Company of Pakistan Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers.

**5. Notice to Shareholders who have not provided their CNICs:**

Pursuant to the directives of the Securities and Exchange Commission of Pakistan ("SECP"), dividend warrants cannot be issued without valid CNICs. All shareholders holding physical shares who have not submitted their valid CNICs are once again requested to send attested copies of their valid CNICs along with their folio numbers to the Company's Shares Registrar. In the absence of a shareholder's valid CNIC, the Company will be constrained to withhold dispatch of dividend to such shareholders.

**6. Consent for Video Conference Facility:**

As allowed by SECP vide Circular No. 10 of 2014 dated May 21, 2014, members can avail video conference facility for this Annual General Meeting, at Karachi provided the Company receives consent from the members holding in aggregate 10% or more shareholding, residing at above mentioned location, at least 10 days prior to date of the meeting.

Subject to the fulfillment of the above conditions, members shall be informed of the venue, 5 days before the date of the General Meeting along with complete information necessary to access the facility.

In this regard please send a duly signed request as per following format at the registered address of the Company 10 days before holding of general meeting.

I/We, _____ of _____ being a member of Fatima Fertilizer Company Limited holder of _____ Ordinary share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____.
Signature of member

**7. E-VOTING**

Pursuant to SECP S.R.O. No. 43(I)/2016 dated January 22, 2016, members can also exercise their right to vote through e-voting by giving their consent in writing at least 10 days before the date of meeting to the Company on the appointment of Execution Officer by the Intermediary as a Proxy.

**8. Dissemination of Annual Audited Accounts and Notice of Annual General Meeting**

The Company shall place the financial statements and reports on the Company's website: <http://fatima-group.com/ffcl/page.php/financial-results-ffcl> at least twenty one (21) days prior to the date of the Annual General Meeting.

Further, this is to inform that in accordance with SRO 470(I)/2016 dated 31 May 2016, through which SECP has allowed companies to circulate the annual audited accounts to its members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses, subject to consent of shareholders and compliance with certain other conditions, the Company has obtained shareholders' approval in its Extraordinary General Meeting held on December 23, 2016. Accordingly, Annual Report of the Company for the year ended December 31, 2016 is dispatched to the shareholders through CD. However, if a shareholder requests for a hard copy of Annual Accounts, the same shall be provided free of cost within seven days of receipt of such request. Further, in terms of SRO No 787(I)/2014 dated September 8, 2014, shareholders can also opt to obtain annual balance sheet and profit and loss account, auditors' report and directors' report etc. along with the Notice of the Annual General Meeting through email. For this purpose, we hereby give you the opportunity to send us your written request alongwith your valid email ID to provide you the same at your valid email ID.

For convenience of shareholders, a Standard Request Form for provision of Annual Accounts has also been made available on the Company's website [http://fatima-group.com/updata/others/standard\\_request\\_form\\_ffcl.pdf](http://fatima-group.com/updata/others/standard_request_form_ffcl.pdf).

**Statements under section 160(1) (b) of the Companies Ordinance, 1984**

**Item 6 of the Agenda:**

As per the disclosure requirement of Para 4(1) of the S.R.O. 27(I)/2012 dated January 16, 2012, it is informed that the following directors of the Company are also the directors in the investee company, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:

Directors

- 1) Mr. Fawad Ahmed Mukhtar
- 2) Mr. Fazal Ahmed Sheikh
- 3) Mr. Faisal Ahmed Mukhtar

The Directors have carried out the required due diligence for the purpose of this loan.

The information required under S.R.O.27(I)/2012 is provided below:

Sr. No.	Description	Information Required																		
(i)	Name of investee company or associated undertaking along with criteria based on which the associated relationship is established	Reliance Commodities (Pvt) Limited (RCL) due to common directorship by the following: 1) Mr. Fawad Ahmed Mukhtar 2) Mr. Fazal Ahmed Sheikh 3) Mr. Faisal Ahmed Mukhtar																		
(ii)	Amount of Loans or Advances	PKR 1,250 Million																		
(iii)	Purpose of Loans or Advances and benefits likely to accrue to the investing Company and its members from such loans or advances	To continue investment of Company's funds at attractive rate of mark-up.																		
(iv)	In case any Loan has already been granted to the said associated company or associated undertaking, the complete details thereof	Loan of an aggregate amount of up to PKR 500 million in the nature of renewable running finance facility was given pursuant to special resolution of the Company passed on April 30, 2015. The Loan amount was enhanced up to PKR 1,250 million pursuant to special resolution of the Company passed on December 23, 2016. It is being charged at the mark-up rate of 6M KIBOR + 2.12 but not less than the borrowing cost of Fatima and to be repaid within 30 days of the notice of demand. The Company is now seeking approval for renewal of this running finance facility for further period of one year.																		
(v)	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	As per the audited Financial Statements for the year ended June 30, 2016  <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">PKR in Million</th> </tr> </thead> <tbody> <tr> <td>Authorized Capital</td> <td style="text-align: right;">100</td> </tr> <tr> <td>Paid up capital and reserves</td> <td style="text-align: right;">1,260</td> </tr> <tr> <td>Surplus on revaluation of property, plant and equipment</td> <td style="text-align: right;">188</td> </tr> <tr> <td>Non-Current Liabilities</td> <td style="text-align: right;">1,237</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">1,893</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">2,963</td> </tr> <tr> <td>Non-Current Assets</td> <td style="text-align: right;">380</td> </tr> <tr> <td>Revenue</td> <td style="text-align: right;">759</td> </tr> </tbody> </table>		PKR in Million	Authorized Capital	100	Paid up capital and reserves	1,260	Surplus on revaluation of property, plant and equipment	188	Non-Current Liabilities	1,237	Current Liabilities	1,893	Current Assets	2,963	Non-Current Assets	380	Revenue	759
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Non-Current Assets	380																			
Revenue	759																			

		Gross Profit Finance Cost Profit After Tax	121 103 78.7
(vi)	Average borrowing cost of the investing company	7.38%	
(vii)	Rate of interest, mark up, profit, fees or commission etc. to be charged	6M KIBOR+2.12 but not less than the borrowing cost of Fatima	
(viii)	Sources of funds from where loans or advances will be given	Already given/Own sources of the Company	
(ix)	Where loans or advances are being granted using borrowed funds: 1. Justification for granting loan or advance out of borrowed funds; 2. Detail of guarantees/ assets pledged for obtaining such funds, if any; 3. Repayment schedules of borrowing of the investing company	Not applicable	
(x)	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Security for the loan was previously obtained in the form of a charge over present and future current assets. This charge shall be vacated on the repayment of the entirety of the loan	
(xi)	If the loans or advances carry conversion feature	None	
(xii)	Repayment schedule and terms of loans or advances to be given to the investee company	The Loan will be repayable within a year within 30 days of the notice of demand unless renewed by mutual consent of the parties, provided shareholders of Fatima approve any renewal.	
(xiii)	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Agreement: 1. The parties agree to extend the repayment period of the Running Finance Facility to be repaid within 30 days of the notice of demand for further period of one year. The limit in the nature of Running Finance Facility shall be renewable in next general meeting(s) for further period(s) of one year. 2. Markup will be charged on the Loan at the rate of 6M KIBOR+2.12 but not less than the borrowing cost of Fatima. Markup is payable on quarterly basis. 3. On repayment of the Loan, the charge over the current assets of investee company is to be vacated	
(xiv)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associates company or associated undertaking or the transaction under consideration	The following directors of the Company are also the directors in the investee company, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:  Directors 1) Mr. Fawad Ahmed Mukhtar 2) Mr. Fazal Ahmed Sheikh 3) Mr. Faisal Ahmed Mukhtar	

(xv)	Any other important details necessary for the members to understand the transaction	None
(xvi)	In case of investment in a project of an associated company or associated undertaking that has not commenced operations: 1. Description of the project and its history since conceptualization; 2. Starting date and expected dated of completion; 3. Time by which such project shall become commercially operational; 4. Expected return on total capital employed in the project; 5. Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not applicable

**Item 7 of the Agenda:**

As per the disclosure requirement of Para 4(1) of the S.R.O. 27(I)/2012 dated January 16, 2012, it is informed that the following directors of the Company are also the directors in the investee company, however, the directors have no direct or indirect interest except to the extent of their directorship/shareholding in the investee company:

Directors

- 1) Mr. Fawad Ahmed Mukhtar
- 2) Mr. Fazal Ahmed Sheikh
- 3) Mr. Faisal Ahmed Mukhtar
- 4) Mr. M. Abad Khan

The information required under S.R.O.27(I)/2012 is provided below:

Sr. No.	Description	Information Required
(i)	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	Fatima Electric Company Limited (FECL) due to common directorship by the following: 1) Mr. Fawad Ahmed Mukhtar 2) Mr. Fazal Ahmed Sheikh 3) Mr. Faisal Ahmed Mukhtar 4) Mr. M. Abad Khan
(ii)	Purpose, benefits and period of investment	To make equity contribution in Fatima Electric Company Limited to meet its preliminary expenses and subsequently to undertake suitable Energy / Power sector projects to be announced by the Government. Benefits and period of investment to be determined after firm allocation of any project to Fatima Electric Company Limited.
(iii)	Maximum amount of investment	PKR 140,000
(iv)	Maximum price at which securities will be acquired	Face Value i.e. PKR 10/-
(v)	Maximum number of securities to be acquired	14,000 shares of PKR 10/- each

(vi)	Number of securities and percentage thereof held before and after the proposed investment	- Before proposed investment : NIL - After proposed investment : 40%
(vii)	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	Not applicable
(viii)	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1)	FECL was formed as a Special Purpose Entity (SPE) to undertake a power project as a requirement by Private Power & Infrastructure Board (PPIB) while bidding for the project. Currently FECL has no assets and liabilities.
(ix)	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	FECL was formed as a Special Purpose Entity (SPE) to undertake a power project as a requirement by Private Power & Infrastructure Board (PPIB) while bidding for the project. Currently FECL has no assets and liabilities.
(x)	Earning per share of the associated company or associated undertaking for the last three years	FECL was formed as a Special Purpose Entity (SPE) to undertake a power project as a requirement by Private Power & Infrastructure Board (PPIB) while bidding for the project. Currently FECL has no assets and liabilities.
(xi)	Sources of fund from which securities will be acquired	From own sources of the Company
(xii)	Where the securities are intended to be acquired using borrowed funds  (I) Justification for investment through borrowings; (II) Detail of guarantees and assets pledged for obtaining such funds;	Not applicable
(xiii)	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	None
(xiv)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	The following Directors of the Company are also Directors in Fatima Electric Company Limited.  1) Mr Fawad Ahmed Mukhtar 2) Mr Fazal Ahmed Sheikh 3) Mr Faisal Ahmed Mukhtar 4) Mr M. Abad Khan  The directors have no other direct or indirect interest in the investee company except to the extent of their directorship/shareholding in the associated company.
(xv)	Any other important details necessary for the members to understand the transaction	None
(xvi)	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further	Currently FECL is engaged in pre bidding process of some power projects but none has been awarded to it by the Government of Pakistan yet.

	<p>information, is required, namely</p> <ul style="list-style-type: none"><li>(I) Description of the project and its history since conceptualization;</li><li>(II) Starting and expected dated of completion of work;</li><li>(III) Time by which such project shall become commercially operational;</li><li>(IV) Expected time by which the project shall start paying return on investment;</li></ul>	
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